

# CAMPMED

Casualty and Indemnity Company of Maryland, Inc.

July 21, 2011

To whom it may concern:

FEIN 52-1627116 ✓

Campmed Casualty & Indemnity Company, Co., Inc. of Maryland (NAIC #12260) is submitting a new Medical Malpractice (Line 11.0), Podiatry (Sub-Line 11.0025) Rate and Rule filing for your review and approval. Campmed is authorized to write Class 2, Clause (c). Campmed has assigned a company tracking number of CMD-PL-11002-01R to this filing. In addition, a new Podiatry Forms filing has been submitted through SERFF to compliment this filing. The SERFF tracking number for the forms filing is: CAMP-127037575 and was submitted on July 21, 2011.

Included in this filing, please find:

- Illinois Certification for Medical Malpractice Rates
- Completed Form RF-3
- Podiatry Countrywide Professional Liability Rate and Rule Manual
- Appendix A: IL Exceptions pages
- Actuarial Explanatory Memorandum

Please see the IL Podiatry Manual and Appendix A: IL Exceptions pages and the Actuarial Explanatory Memorandum included in this filing for full details on the proposed program.

Campmed Casualty and Indemnity Company, Inc., of Maryland requests the proposed Rates and Rules to be implemented on policies effective on or after July 27<sup>th</sup>, 2011 or the filing approval date, whichever is earlier.

If you have any questions and/or require any additional information, please do not hesitate to contact me.

Sincerely,



Jay Powell  
State Filing Analyst  
Ja1powell@hanover.com  
800-831-9506

**FILED**

AUG 02 2011

STATE OF ILLINOIS  
DEPARTMENT OF INSURANCE  
SPRINGFIELD, ILLINOIS

**RECEIVED**

JUL 26 2011

STATE OF ILLINOIS  
DEPARTMENT OF INSURANCE  
SPRINGFIELD, ILLINOIS

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[www.thecampaniagroup.com](http://www.thecampaniagroup.com)



308 WEST POTOMAC STREET  
BRUNSWICK, MD 21716  
866/869-9369 • 301/834-4331 (fax)

111 BERRY STREET, S.E.  
VIENNA, VA 22180  
800/831-9506 • 703/242-3815 (fax)

## ILLINOIS CERTIFICATION FOR MEDICAL MALPRACTICE RATES

(215 ILCS 5/155.18)(3) states that medical liability rates shall be certified in such filing by an officer of the company and a qualified actuary that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience.

I, Dennis R. Santoli, a duly authorized officer of **Campmed Casualty & Indemnity Company, Inc of Maryland**, am authorized to certify on behalf of the Company making this filing that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience, and that I am knowledgeable of the laws, regulations and bulletins applicable to the policy rates that are the subject of this filing.

I, Caitlin E. Tatarzyn ACAS, MAAA of The Hanover Insurance Group, a duly authorized actuary of **Campmed Casualty & Indemnity Company, Inc of Maryland** making this filing that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience, and that I am knowledgeable of the laws, regulations and bulletins applicable to the policy rates that are the subject of this filing.

Dennis R. Santoli, VP  
Signature and Title of Authorized Insurance Company Official

7/11/2011  
Date

Caitlin E. Tatarzyn ACAS, MAAA associate actuary  
Signature, Title and Designation of Authorized Actuary

7/7/2011  
Date

Insurance Company FEIN: 52-1827116

Filing Number: CMD-PL-11002-01R

Insurer's Address: 111 Berry Street, Vienna, VA 22180

Contact Person: Nancy Powell, Manager of Compliance  
na1powell@hanover.com  
800-831-9506 Ext 803 (ph) / 703-242-3815 (fax)

**Section 754.EXHIBIT A Summary Sheet (Form RF-3)**

FORM (RF-3)

**SUMMARY SHEET**

Change in Company's premium or rate level produced by rate revision  
effective Initial Filing, no changes made.

| (1)<br>Coverage                 | (2)<br>Annual Premium<br>Volume (Illinois) * | (3)<br>Percent<br>Change (+or-) ** |
|---------------------------------|--|------------------------------------|
| 1. Automobile Liability Private |  |                                    |
| Passenger                       | 0  | 0                                  |
| Commercial                      | 0  | 0                                  |
| 2. Automobile Physical Damag    |  |                                    |
| Private Passenger               | 0  | 0                                  |
| Commercial                      | 0  | 0                                  |
| 3. Liability Other Than Auto    | 0  | 0                                  |
| 4. Burglary and Theft           | 0  | 0                                  |
| 5. Glass                        | 0  | 0                                  |
| 6. Fidelity                     | 0  | 0                                  |
| 7. Surety                       | 0  | 0                                  |
| 8. Boiler and Machinery         | 0  | 0                                  |
| 9. Fire                         | 0  | 0                                  |
| 10. Extended Coverage           | 0  | 0                                  |
| 11. Inland Marine               | 0  | 0                                  |
| 12. Homeowners                  | 0  | 0                                  |
| 13. Commercial Multi-Peril      | 0  | 0                                  |
| 14. Crop Hail                   | 0  | 0                                  |
| 15. Other                       |  |                                    |
| Life of Insurance               |  |                                    |

Does filing only apply to certain territory (territories) or certain  
Classes? If so,  
specify: Applies to line 11.0 Medical Malpractice and to all territories in IL

Brief description of filing. (If filing follows rates of an advisory  
Organization, specify  
organization): Podiatry filing looking to offer coverage in IL. Program based on

comparison to competitors already approved in the state of IL. All rates filed by the Company.

\*Adjusted to reflect all prior rate changes.

\*\*Change in Company's premium level which will result from application of new  
rates.

**RECEIVED**

JUL 26 2011

STATE OF ILLINOIS  
DEPARTMENT OF INSURANCE  
SPRINGFIELD, ILLINOIS

Campmed Casualty & Indemnity Co, Inc. of Maryland

Name of Company

Jay Powell, State Filing Analyst

Official - Title

## Neuman, Gayle

---

**From:** POWELL, NANCY L. [NA1POWELL@hanover.com]  
**Sent:** Thursday, November 17, 2011 9:17 AM  
**To:** Neuman, Gayle  
**Subject:** RE: Campmed Casualty & Indemnity Co of Maryland - Filing #CMD-PL-11002-01R

Thank you for the clarification. We would like to keep the effective date of 8/2/11 that is currently in place.

Nancy Powell  
Manager of Compliance, Hanover Healthcare  
12100 Sunset Hills Rd, Suite 300  
Reston, VA 20190  
Tel: 800-831-9506 x8803805  
Fax: 703-880-3801  
Email: [na1powell@hanover.com](mailto:na1powell@hanover.com)

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**From:** Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]  
**Sent:** Thursday, November 17, 2011 9:10 AM  
**To:** POWELL, NANCY L.  
**Subject:** RE: Campmed Casualty & Indemnity Co of Maryland - Filing #CMD-PL-11002-01R

Ms. Powell,

As long as you have informed us of the requested effective date, the company may begin using the rates/rules and forms as of that date. Both filings are still pending. If neither filing was implemented in August, just please inform us of the effective date that was used.

*Gayle Neuman*

Illinois Department of Insurance  
(217)524-6497

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**From:** POWELL, NANCY L. [mailto:NA1POWELL@hanover.com]  
**Sent:** Wednesday, November 16, 2011 10:06 AM  
**To:** Neuman, Gayle  
**Subject:** FW: Campmed Casualty & Indemnity Co of Maryland - Filing #CMD-PL-11002-01R

Ms Neuman,

Can you clarify the status of the referenced Campmed Podiatry Professional Liability rate filing? This is our first IL filing. We responded to questions from you in mid-October and changed the effective date (see below) on 10/31/11. In addition, we have a companion form filing submitted via SERFF with Company Filing # CMD-PL-11002-01F. Are both filings able to be used?

While filing rule is File and Use, it is sometimes the unofficial stance of a state re a new program that it be approved by the Dept of Insurance before use. We wanted to check before implementing the filings.

Thank you for your attention to this matter.

Nancy Powell

Manager of Compliance, Hanover Healthcare  
12100 Sunset Hills Rd, Suite 300  
Reston, VA 20190  
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Fax: 703-880-3801  
Email: [na1powell@hanover.com](mailto:na1powell@hanover.com)

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**From:** POWELL, NANCY L.  
**Sent:** Monday, October 31, 2011 3:26 PM  
**To:** Neuman, Gayle'  
**Subject:** RE: Campmed Casualty & Indemnity Co of Maryland - Filing #CMD-PL-11002-01R

Ms Neuman,  
Please change the effective date of our Podiatry filing CMD-PL-11002-01R to August 2, 2011.

Nancy Powell  
Manager of Compliance, Hanover Healthcare  
12100 Sunset Hills Rd, Suite 300  
Reston, VA 20190  
Tel: 800-831-9506 x8803805  
Fax: 703-880-3801  
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**From:** Neuman, Gayle [<mailto:Gayle.Neuman@illinois.gov>]  
**Sent:** Monday, October 31, 2011 3:23 PM  
**To:** POWELL, NANCY L.  
**Subject:** Campmed Casualty & Indemnity Co of Maryland - Filing #CMD-PL-11002-01R

Ms. Powell,

The corresponding medical malpractice form filing was received on August 1, 2011 requesting an effective date of August 2, 2011. Therefore, Campmed could not write any coverage until August 2, 2011 at the earliest. Therefore, please confirm the effective date of the rate filing will be changed from July 27, 2011 to August 2, 2011.

*Gayle Neuman*

Illinois Department of Insurance  
Property & Casualty Compliance  
(217) 524-6497

Please refer to the Property & Casualty Review Checklists before submitting any filing. The checklists can be accessed through the Department's website at [www.insurance.illinois.gov](http://www.insurance.illinois.gov).

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## Neuman, Gayle

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**From:** POWELL, NANCY L. [NA1POWELL@hanover.com]  
**Sent:** Monday, October 31, 2011 2:26 PM  
**To:** Neuman, Gayle  
**Subject:** RE: Campmed Casualty & Indemnity Co of Maryland - Filing #CMD-PL-11002-01R

Ms Neuman,

Please change the effective date of our Podiatry filing CMD-PL-11002-01R to August 2, 2011.

Nancy Powell  
Manager of Compliance, Hanover Healthcare  
12100 Sunset Hills Rd, Suite 300  
Reston, VA 20190  
Tel: 800-831-9506 x8803805  
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Email: [na1powell@hanover.com](mailto:na1powell@hanover.com)

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**From:** Neuman, Gayle [<mailto:Gayle.Neuman@illinois.gov>]  
**Sent:** Monday, October 31, 2011 3:23 PM  
**To:** POWELL, NANCY L.  
**Subject:** Campmed Casualty & Indemnity Co of Maryland - Filing #CMD-PL-11002-01R

Ms. Powell,

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*Gayle Neuman*

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**From:** POWELL, NANCY L. [NA1POWELL@hanover.com]  
**Sent:** Friday, October 21, 2011 2:47 PM  
**To:** Neuman, Gayle  
**Subject:** RE: Campmed Casualty & Indemnity Co of Maryland - Filing #CMD-PL-11002-01R  
**Attachments:** Appendix A-IL Exception Pages 10 11.pdf; Appendix A-IL Exception Pages 09 11.pdf; Podiatry Manual CW 0811.pdf; Exhibit 1 Leave of Absence Factors.pdf

Dear Ms Neuman,

Below find the responses to your questions of 10/6/11 in relation to Campmed's Podiatry rate filing. We apologize for not responding more promptly. The program underwriter has been out of the office for an unexpected emergency for an extended period.

For your information, Campmed received questions regarding this Podiatry rate filing from Robert Walling of Pinnacle Actuarial Resources on September 16, 2011. We responded on September 29, 2011. A copy of our response is included with our response to your questions as some areas overlap.

*1. Please indicate if your company has a plan for the gathering of statistics or the reporting of statistics to statistical agencies? If yes, what stat agency is being used?*

Campmed reports statistics through ISS

*2. Is the New Podiatrist Discount allowed for four years?*

By the 4<sup>th</sup> year of practice, there is no longer a discount. The 4<sup>th</sup> year factor is therefore 1.0.

*3. In regard to the Part-Time Podiatrist Discount, please explain how a credit would be determined in a range of zero to 60% for an insured working 16 hours or less per week.*

Campmed has removed the "up to" references from the Part Time Podiatrist Discount making the discount specific to the stated criteria for hours worked and patient load. A revised Appendix A-IL Exception Pages with edition date of 10-11 is attached and effects this change as Item 2.

*4. Will an insured be penalized under Risk Management in the schedule rating section in addition to the up to 200% surcharge for non-participation in the Campmed Podiatric Risk Management/Claims Review Program?*

*5. Please explain how a surcharge for non-participation in the Campmed Podiatric Risk management/Claims Review Program will be determined in a 200% range? If an insured is getting a 5% discount for completion of any other company-approved risk management program, would they still be penalized with the up to 200% surcharge?*

Questions 4 and 5 both relate to Rule J. Surcharges on page 12 of the Podiatry manual. Campmed withdrew Rule J. in our September 29<sup>th</sup> response to the questions from Pinnacle Actuarial Resources. See Item 5 of Appendix A-IL Exception Pages 10/11 attached.

*6. Is the extended reporting period issued for a year, unlimited or other? Please explain also for the premium waived extended reporting period.*

Purchased extended reporting periods of 1, 2, 3 years and unlimited duration are offered at the option of the insured. Item 8. of Appendix A-IL Exception Pages 10/11 have been revised to clarify the purchased ERP offering.

Premium waived extended reporting periods are offered with only unlimited duration. Item 9 of Appendix A-IL Exception Pages 10/11 adds language to make this clear.

*7. In regard to the leave of absence section, for a first year claims made insured – is .34 of mature premium the amount they pay or the amount of discount?*

First of all, in our response to Pinnacle Actuarial Resources questions on 9/29/11, we changed the Leave of Absence factors. This change turns out to also be an error. The change to the factors was correct but they should be applied to the annual premium as opposed to the mature claims made premium. Please see the correction in Appendix A-IL Exception Pages 10/11.

In summary, premium for the leave of absence period is determined by multiplying the annual premium pro rata for the length of the leave of absence period by the appropriate claims made year factor.

The difference of the annual premium pro rata for the length of the leave of absence period and the Leave of Absence period premium is the reduced premium amount.

Please find the following attached to this email.

1. Appendix A-IL Exception Pages
2. Response to 9/16/11 questions from Robert Walling of Pinnacle Actuarial Resources including attachments:
  - a. Appendix A-IL Podiatry Exception Pages 09/11
  - b. Podiatry Professional Liability Rates and Rules Manual Countrywide 08/11
  - c. Exhibit 1 Leave of Absence Factors

Please contact me if you have any additional questions. Jay Powell, your prior contact, is no longer with the company.

Nancy Powell  
Manager of Compliance, Hanover Healthcare  
12100 Sunset Hills Rd, Suite 300  
Reston, VA 20190  
Tel: 800-831-9506 x8803805  
Fax: 703-880-3801  
Email: [na1powell@hanover.com](mailto:na1powell@hanover.com)

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**From:** POWELL, JAY A.  
**Sent:** Thursday, October 06, 2011 2:56 PM  
**To:** POWELL, NANCY L.  
**Subject:** FW: Campmed Casualty & Indemnity Co of Maryland - Filing #CMD-PL-11002-01R

Nancy, please see below. We have a new objection for IL POD Rates.

Jay Powell  
State Filing Analyst, Hanover Healthcare  
12100 Sunset Hills Road, Suite 300  
Reston, VA 20190-3295  
Tel: 703-880-3818  
Email: [JA1Powell@Hanover.com](mailto:JA1Powell@Hanover.com)

---

**From:** Neuman, Gayle [<mailto:Gayle.Neuman@illinois.gov>]  
**Sent:** Thursday, October 06, 2011 2:28 PM  
**To:** POWELL, JAY A.  
**Subject:** FW: Campmed Casualty & Indemnity Co of Maryland - Filing #CMD-PL-11002-01R

Mr. Powell,

I am in receipt of the above referenced filing submitted with your cover letter dated July 21, 2011. Please respond to the following questions/issues:

1. Please indicate if your company has a plan for the gathering of statistics or the reporting of statistics to statistical agencies? If yes, what stat agency is being used?



2. Is the New Podiatrist Discount allowed for four years?
3. In regard to the Part-Time Podiatrist Discount, please explain how a credit would be determined in a range of zero to 60% for an insured working 16 hours or less per week.
4. Please review Company Bulletin CB2011-05 on our website that pertains to schedule rating plans. Will an insured be penalized under Risk Management in this section in addition to the up to 200% surcharge for non-participation in the Campmed Podiatric Risk Management/Claims Review Program?
5. Please explain how a surcharge for non-participation in the Campmed Podiatric Risk Management/Claims Review Program will be determined in a 200% range? If an insured is getting a 5% discount for completion of any other company-approved risk management program, would they still be penalized with the up to 200% surcharge?
6. Is the extended reporting period issued for a year, unlimited, or other? Please explain also for the premium waived extended reporting period.
7. In regard to the leave of absence section, for a first years claims made insured – is the .34 of mature premium the amount they pay or the amount of discount?

*Gayle Neuman*

Illinois Department of Insurance  
Property & Casualty Compliance  
(217) 524-6497

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**Campmed Casualty & Indemnity Company, Inc. of Maryland**  
**Podiatry Professional Liability Rates and Rules Manual**  
**APPENDIX A - ILLINOIS EXCEPTION PAGES**

**1.) BASE RATES**

Section II. **INDIVIDUAL PODIATRIC PROFESSIONAL LIABILITY RATES**, Item A. **BASE RATES**, Paragraph 1. **Rates by Territory** is deleted and replaced with the following:

**1. Rates by Territory**

Base Rates for limits of \$1,000,000 each claim / \$3,000,000 annual aggregate, claims made form where defense costs do not erode policy limits are shown in the table below.

| <u>Territory</u>                 | <u>Surgical</u> | <u>Non-Surgical</u> |
|----------------------------------|-----------------|---------------------|
| I. Remainder of State            | \$10,771        | \$ 7,181            |
| II. Dupage, Will & Lake Counties | \$10,771        | \$ 7,181            |
| III. Cook County                 | \$16,972        | \$11,315            |

**2.) EXPERIENCE RATING PLAN**

Section II. **INDIVIDUAL PODIATRIC PROFESSIONAL LIABILITY RATES**, Item H. **EXPERIENCE RATING PLAN** is deleted and replaced with the following:

**H. EXPERIENCE RATING PLAN**

In recognition of the significant variability in the risk exposures that exist among podiatrists and their practices that are indicated by prior claims experience, the Company may apply debits and credits to the other applicable rate based on assessment of the frequency and severity of Losses that have been previously experienced by the insured. The experience rating plan applies to Losses incurred during all prior years covered by the Company or, as indicated below, to insureds new to the Company. The experience rating plan applies to surgical and non-surgical podiatry classifications as well as new practitioners and part time podiatrists. Experience debits and credits are evaluated at new to the Company policy inception and annually at renewal.

For the purpose of applying the experience rating plan, "**Losses**" are defined as the aggregate case based reserves and paid loss and loss adjustment expenses incurred by the insurer. "**Loss Ratio**" is defined as (1) total **Losses** divided by (2) total premiums over the **Calculation Period**. "**Claims**" are incidents that result in Losses.

The **Loss Ratio Calculation Period** will include both (1) the period immediately prior to coverage with the Company, if any, but not longer than 10 years, and (2) all years of coverage with the Company.

**Losses** will be equal to (1) the aggregate **Losses** as reported on the loss information prepared by any prior carrier, if any, and submitted by the insured with the initial application for insurance plus (2) the aggregate **Losses** for all years of coverage with the Company, for the **Calculation Period**.

Premiums will be equal to (1) the aggregate Premiums that would have been charged for the prior years as if the policies during those years had been written by the Company at the base rates on file as of the date the calculation is made, if any, plus (2) the aggregate premiums for all years of coverage with the Company, for the **Calculation Period**.

Maximum Experience Credit / Debit

-15% to +200%

**A. Experience Debit**

The Experience Debit is applied as follows.

| <b>Loss Ratio</b> | <b>Debit Factor</b>                          |
|-------------------|--|
| 60% - 84%         | +5%  |
| 85% - 99%         | +10%   |
| 100% - 114%       | +15%   |
| 115% or more      | <b>Loss Ratio – 100%</b><br>To maximum +200% |

The following examples demonstrate the application of the table above.

a. \$22,000 in total **Losses** divided by \$25,000 in total premiums = 88% **Loss Ratio**.

A 10% debit factor is applied.

b. \$53,000 in total **Losses** divided by \$25,000 in total premiums = 212% **Loss Ratio**.

212% – 100% = 112%. A 112% debit factor is applied.

In the examples above, the debit factor is multiplied by the base rate before the application of scheduled debits and credits to yield the additional premium debit to be added to the base rate.

### **B. Experience Credit**

When an experience debit does not apply, the insured may qualify for an experience credit based on a claims free history. The Company applies a credit based on the number of years completed with no Claims according to the following table.

| <b>Consecutive Years<br/>Without Claims</b> | <b>Credit</b> |
|---|---------------|
| 0 to 2 years                                | None          |
| 3 to 4                                      | - 5%          |
| 5 to 9                                      | -10%          |
| 10 or more                                  | -15%          |

## **3.) SCHEDULED DEBITS & CREDITS**

Section II. **INDIVIDUAL PODIATRIC PROFESSIONAL LIABILITY RATES**, Item I. **SCHEDULED DEBITS & CREDITS** is deleted and replaced with the following:

### **I. SCHEDULED DEBITS & CREDITS**

In recognition of the significant variability in the risk exposures that exist among podiatrists and their practices, the Company may apply debits and credits to the otherwise applicable rate dependent upon the underwriter's overall evaluation of the entire risk. Examples of criteria that may be evaluated are listed below.

Both debits and credits are subject to maximum allowed in the state and are reviewable annually.

Appropriate supporting documentation will be kept in the insured's file.

| <b>1. Schedule of debits and credit criteria</b> | <b>Range ( + / - )</b> |
|--|------------------------|
| Claims Management                                | +10%/ -15%             |
| Internal Review Procedures                       |                        |
| Commitment to Loss Prevention                    |                        |
| Incident/Claim Reporting Procedures              |                        |
| Other  |                        |
| Risk Management                                  | +10%/ -10%             |
| Credentialing/Peer Review                        |                        |
| Medical Record/Consent Form Documentation        |                        |

Quality Assurance Procedures  
Employee Selection, Training and Supervision  
Other

General Factors +16%/ -5%  
Hospital Staff Privileges  
Managed Care Network Participation  
Unusually high or low patient volumes  
Other

**2. Maximum Allowed Debits and Credits** +25%/ -25%

#### **4.) SURCHARGES**

Section **II. INDIVIDUAL PODIATRIC PROFESSIONAL LIABILITY RATES**, Item **J. SURCHARGES** is deleted in its entirety.

#### **5.) RESIDENT DISCOUNT**

Item **K. RESIDENT DISCOUNT** is added to Section **II. INDIVIDUAL PODIATRIC PROFESSIONAL LIABILITY RATES** as follows:

##### **K. RESIDENT DISCOUNT**

A discount may be applied to premiums for residents participation in a podiatric residency training program approved by the Council on Podiatric Medical Education (C.P.M.E.). Coverage will be offered on an occurrence basis only. Premium will be computed according to the following formula:

Claim Made Base Rate X 1.20 Occurrence Factor X .25 Resident Discount Factor

#### **6.) RESIDENCY DIRECTOR DISCOUNT**

Item **L. RESIDENCY DIRECTOR DISCOUNT** is added to Section **II. INDIVIDUAL PODIATRIC PROFESSIONAL LIABILITY RATES** as follows:

##### **L. RESIDENCY DIRECTOR DISCOUNT**

A 25% discount may be applied to the premium of an individual podiatrist who has been appointed as a director for a podiatric residency program.

#### **7.) EXTENDED REPORTING PERIOD COVERAGE**

Section **IV. EXTENDED REPORTING PERIOD COVERAGE**, Item **A. PURCHASED EXTENDED REPORTING PERIOD** is deleted and replaced with the following:

##### **A. PURCHASED EXTENDED REPORTING PERIOD**

Extended Reporting Period Coverage applies to claims made policies for claims that are first made during the extended reporting period against the insured by reason of alleged medical malpractice that occurred after the retroactive date shown in the expiring policy Declarations Page but before the effective date of cancellation or non-renewal. An eligible insured may purchase an Extended Reporting Period provided the insured requests and pays for the coverage within 30 days after the effective date of cancellation or non-renewal of the policy.

Available Limits of Liability shall not exceed those afforded under the expiring claims-made policy. The extended reporting premium is equal in amount to the Extended Reporting Factor multiplied by the expiring annual premium of the policy.

The Company shall inform the Insured of the optional Extended Reporting Period Coverage (ERP) premium at the time the last policy is purchased. The Company may not wait until the Insured requests to purchase the ERP to tell the Insured what the premium will be or how the premium would be calculated.

The Risk Management Activity Discount and the Scheduled and Experience Rating Plan Debits and Credits shall, if applicable, be applied when determining the final extended reporting period premium.

The Part-Time Podiatrist Discount, New Podiatrist Discount, and Leave of Absence Credit shall not, if applicable, be applied when determining the final extended reporting period premium.

The Company will offer the Extended Reporting Period Coverage upon policy termination for any reason, including non-payment of premium and whether the policy was terminated at the request of the Company or the insured.

| Years of Company<br>Claims Made<br>Coverage | Extended Reporting Period (ERP) Duration Factors |        |        |           |
|---|--|--------|--------|-----------|
|   | 1 Year   | 2 Year | 3 Year | Unlimited |
| 1   | 0.61   | 0.77   | 0.89   | 1.02      |
| 2   | 0.86   | 1.08   | 1.26   | 1.44      |
| 3   | 1.01   | 1.26   | 1.47   | 1.68      |
| 4   | 1.08   | 1.35   | 1.58   | 1.80      |

## **8.) PAYMENT PLAN**

Section V. GENERAL RULES, Item G. PAYMENT PLAN is deleted and replaced with the following:

### **G. PAYMENT PLAN**

Premium for all policies may be paid in full at policy inception or the insured may opt to use a four installment plan.

Fee per installment will be equal to the lesser of 1% of the total premium or \$25.

Any additional premium resulting to changes to the policy will be spread equally over the remaining installments, if any. If no installments remain, entire amount of additional premium will be billed.

#### **Four Installment Plan**

| Installment | Due Date  | Premium Due                     |
|-------------|---|---------------------------------|
| 1           | At inception  | 25% of total premium            |
| 2           | 1 <sup>st</sup> day of 3 <sup>rd</sup> policy month | 25% of total premium            |
| 3           | 1 <sup>st</sup> day of 6 <sup>th</sup> policy month | 25% of total premium            |
| 4           | 1 <sup>st</sup> day of 9 <sup>th</sup> policy month | <del>25%</del> of total premium |
|             |   | 100%                            |

## **9.) OPTIONAL ENDORSEMENTS**

The following optional endorsements are added as Section **VI. OPTIONAL COVERAGE ENDORSEMENTS.**

**1. ADMINISTRATIVE DEFENSE COVERAGE**

CMC 0043, Supplementary Payments-Administrative Defense Coverage Endorsement, may be added to the policy for an additional premium shown below. This endorsement provides defense costs for defense against administrative actions related to medical licensing board actions; hospital medical staff peer review actions; managed care decertification actions; actions related to billing and/or coding errors and omissions under programs sponsored by Medicaid, Medicare, and other payers, and any actions related to any violation of HIPAA requirements.

| <u>Limit</u> | <u>Charge</u> |
|--------------|---------------|
| \$25,000     | \$250.00      |

**2. MEDICAL WASTE LEGAL EXPENSE REIMBURSEMENT**

CMC 0082, Supplementary Payments- Medical Waste Legal Expense Reimbursement, may be added to the policy at no additional charge. The limit of liability afforded for this coverage is \$50,000 per incident/\$50,000 Annual Aggregate.

**3. NOTICE OF INCIDENT**

CMC 0090, Notice of Incident, may be added to the policy at the request of the insured. The endorsement amends when a claim is considered first made to the date the company receives written notice from the insured of a potential claim. Refer to Company for rating.

**4. CORPORATE EMPLOYEE COVERAGE**

CMC 0091 or CMC 0092, Corporate Employee Coverage (Claims Made / Occurrence basis respectively), may be added to the policy at no additional charge. The endorsement provides coverage under Business Entity Coverage B to certain licensed health care providers who do not have or are not required to have an individual professional liability insurance policy. A list of health care providers to whom this coverage is not extended is contained in the endorsement.

**5. SEXUAL MISCONDUCT DEFENSE COVERAGE**

CMC 0098, Supplementary Payments-Sexual Misconduct Defense Coverage, may be added to the policy. This endorsement provides reimbursement for defense costs incurred by the insured for investigation or defense of a suit arising out of sexual misconduct allegations. A limit of insurance of \$25,000 per incident/\$25,000 Aggregate is available at no additional charge. A higher limit of insurance of \$100,000 per incident/\$300,000 Aggregate is available for the addition premium of \$250.

## Exhibit 1

For Leave of Absence calculation,

We are in effect providing a one year tail. Because we are only covering one year, the one year claims made factor applies.

First year is First Year Claims Made Factor multiplied by First year tail factor, etc.

|                | One<br>Year<br>Factor | Tail<br>Factor | Leave<br>of<br>Absence<br>Factor |
|----------------|-----------------------|----------------|----------------------------------|
| 1st            | 0.40                  | 1.02           | 0.41                             |
| 2nd            | 0.40                  | 1.44           | 0.58                             |
| 3rd            | 0.40                  | 1.68           | 0.67                             |
| 4th and Mature | 0.40                  | 1.80           | 0.72                             |

## Neuman, Gayle

---

**From:** POWELL, JAY A. [JA1POWELL@hanover.com]  
**Sent:** Friday, October 21, 2011 11:11 AM  
**To:** Neuman, Gayle  
**Subject:** RE: Campmed Casualty & Indemnity Co of Maryland - Filing #CMD-PL-11002-01R

Gayle, I am sorry that I have not responded. The under writer in charge of this program has been out for the last two weeks do to a family medical emergency. We have been working on a response however and should have one for you by close of business today.

Just to notify you, we received an objection from Pinnacle Actuarial Resources that was forwarded to us by Neetha M. Mamoottile from the IL DOI on 9/19/11. We responded to this objection on 9/23/11. The response to the objection caused us to change or remove some elements of the filing of which a couple relate to questions asked in your objection. In the response we will annotate which questions these are and what changes were made in the previous objection response.

Again I am sorry for the delay.

Jay Powell  
State Filing Analyst, Hanover Healthcare  
12100 Sunset Hills Road, Suite 300  
Reston, VA 20190-3295  
Tel: 703-880-3818  
Email: [JA1Powell@Hanover.com](mailto:JA1Powell@Hanover.com)

---

**From:** Neuman, Gayle [<mailto:Gayle.Neuman@illinois.gov>]  
**Sent:** Friday, October 21, 2011 11:59 AM  
**To:** POWELL, JAY A.  
**Subject:** FW: Campmed Casualty & Indemnity Co of Maryland - Filing #CMD-PL-11002-01R

Your October 7, 2011 email indicated I would have a response by October 14, 2011. To date, I have no response on this filing. Your immediate attention is requested.

*Gayle Neuman*

Illinois Department of Insurance  
(217)524-6497

---

**From:** Neuman, Gayle  
**Sent:** Thursday, October 06, 2011 1:28 PM  
**To:** 'POWELL, JAY A.'  
**Subject:** FW: Campmed Casualty & Indemnity Co of Maryland - Filing #CMD-PL-11002-01R

Mr. Powell,

To date, I have not received a response to the e-mail below. Your immediate attention is requested.

*Gayle Neuman*

Illinois Department of Insurance  
(217)524-6497



**From:** Neuman, Gayle  
**Sent:** Tuesday, July 26, 2011 3:49 PM  
**To:** POWELL, JAY A.  
**Subject:** Campmed Casualty & Indemnity Co of Maryland - Filing #CMD-PL-11002-01R

Mr. Powell,

I am in receipt of the above referenced filing submitted with your cover letter dated July 21, 2011. Please respond to the following questions/issues:

1. Please indicate if your company has a plan for the gathering of statistics or the reporting of statistics to statistical agencies? If yes, what stat agency is being used?
2. Is the New Podiatrist Discount allowed for four years?
3. In regard to the Part-Time Podiatrist Discount, please explain how a credit would be determined in a range of zero to 60% for an insured working 16 hours or less per week.
4. Please review Company Bulletin CB2011-05 on our website that pertains to schedule rating plans. Will an insured be penalized under Risk Management in this section in addition to the up to 200% surcharge for non-participation in the Campmed Podiatric Risk Management/Claims Review Program?
5. Please explain how a surcharge for non-participation in the Campmed Podiatric Risk Management/Claims Review Program will be determined in a 200% range? If an insured is getting a 5% discount for completion of any other company-approved risk management program, would they still be penalized with the up to 200% surcharge?
6. Is the extended reporting period issued for a year, unlimited, or other? Please explain also for the premium waived extended reporting period.
7. In regard to the leave of absence section, for a first years claims made insured – is the .34 of mature premium the amount they pay or the amount of discount?

I request receipt of your response by August 5, 2011.

*Gayle Neuman*

Illinois Department of Insurance  
Property & Casualty Compliance  
(217) 524-6497

Please refer to the Property & Casualty Review Checklists before submitting any filing. The checklists can be accessed through the Department's website at [www.insurance.illinois.gov](http://www.insurance.illinois.gov).

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## Neuman, Gayle

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**From:** POWELL, JAY A. [JA1POWELL@hanover.com]  
**Sent:** Friday, October 07, 2011 10:08 AM  
**To:** Neuman, Gayle  
**Subject:** RE: Campmed Casualty & Indemnity Co of Maryland - Filing #CMD-PL-11002-01R

I am sorry for the delay, your email slipped through the cracks. We are working on it and will have a response for you by the end of next week.

Jay Powell  
State Filing Analyst, Hanover Healthcare  
12100 Sunset Hills Road, Suite 300  
Reston, VA 20190-3295  
Tel: 703-880-3818  
Email: [JA1Powell@Hanover.com](mailto:JA1Powell@Hanover.com)

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**Sent:** Thursday, October 06, 2011 2:28 PM  
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**Subject:** FW: Campmed Casualty & Indemnity Co of Maryland - Filing #CMD-PL-11002-01R

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(217)524-6497

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**Subject:** Campmed Casualty & Indemnity Co of Maryland - Filing #CMD-PL-11002-01R

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I am in receipt of the above referenced filing submitted with your cover letter dated July 21, 2011. Please respond to the following questions/issues:

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7. In regard to the leave of absence section, for a first years claims made insured – is the .34 of mature premium the amount they pay or the amount of discount?

I request receipt of your response by August 5, 2011.

*Gayle Neuman*

Illinois Department of Insurance  
Property & Casualty Compliance  
(217) 524-6497

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**Campmed Casualty & Indemnity Company, Inc.  
of Maryland**

**Podiatry Professional Liability  
Rates and Rules Manual**

**Countrywide**



**Campmed Casualty & Indemnity Company, Inc. of Maryland**

Ten Corporate Drive, Suite 200, Bedford, New Hampshire 03110

Administrative Offices: 111 Berry Street Vienna, Virginia 22180

Telephone 800-831-9506 Facsimile 703-242-3815

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Appendix A – State Exception Pages

## **I. SUMMARY OF INSURANCE COVERAGE**

### **A. Coverage Types**

1. Individual Professional Liability
2. Professional Entity Liability (Corporate, Partnership, or Professional Association)

### **B. Coverage Form**

1. Claims Made
2. Occurrence

### **C. Rating Classifications**

1. Podiatry Non-Surgical
2. Podiatry Surgical

### **D. Limits of Liability**

1. \$100,000 Each Claim / \$300,000 Annual Aggregate
2. \$250,000 Each Claim / \$750,000 Annual Aggregate
3. \$500,000 Each Claim / \$1,000,000 Annual Aggregate
4. \$500,000 Each Claim / \$1,500,000 Annual Aggregate
5. \$1,000,000 Each Claim / \$1,000,000 Annual Aggregate
6. \$1,000,000 Each Claim / \$3,000,000 Annual Aggregate
7. \$2,000,000 Each Claim / \$6,000,000 Annual Aggregate

### **E. Policy Term**

Policies are written for one year term and renewed annually thereafter. On exception, a short term policy may be issued on a pro-rata basis and then renewed for an annual term thereafter.

### **F. Use of ISO Materials**

The Company is a member of ISO. However, all rates used with this program will be filed by the Company and will not be used in conjunction with any ISO Experience/Schedule Rating Plan.

The Company will use ISO rules and forms for all items not specifically addressed in this filing.

## **II. INDIVIDUAL PODIATRIC PROFESSIONAL LIABILITY RATES**

### **A. BASE RATES**

Policies will be written for individual Surgical or Non-Surgical podiatrists on either a claims-made or occurrence basis according to the territory where they practice.

#### **1. Rates by Territory**

Base Rates for limits of \$1,000,000 each claim / \$3,000,000 annual aggregate, claims made form where defense costs do not erode policy limits are shown in **Appendix A-State Exception Pages**.

#### **2. Coverage**

Coverage is provided for all procedures authorized by state statute and/or regulation in each state where a license is held.

#### **3. Surgical / Non-Surgical Definitions**

Podiatry Surgical includes any procedure which requires an incision below the dermis, requires an anesthetic or intravenous or gaseous sedation including post-operative treatment or involves debridement of ligaments, tendons or bones. Exceptions to this definition include diagnostic and therapeutic injections, surgical procedures involving the nails, excision of skin lesions, incision and drainage of abscesses, punch biopsies and the treatment of ulcers only if an incision below the dermis is not required.

Post operative treatment will be covered under a non-surgical policy if and only if the podiatrist performing the surgery maintains a surgical policy with the Company which did not contain a surgical exclusion and was either an occurrence policy which was effective on the date of the subject surgery or a claims-made policy with a retroactive date prior to the surgery which was continuously in effect through the date on which the claim was first made.

A podiatrist will not be covered under a non-surgical policy if they act as an assistant surgeon or perform any surgical intervention.

A podiatrist will not be covered under a non surgical policy if they participate in a decision regarding whether a post-operative patient should be returned to an operating room for further surgery unless a surgeon makes the final decision or the patient requires emergency surgery and any delay could result in death.

## B. INCREASED/REDUCED LIMITS FACTORS

| Annual Aggregate |           |           |             |             |             |             |
|------------------|-----------|-----------|-------------|-------------|-------------|-------------|
| Each Claim       | \$300,000 | \$750,000 | \$1,000,000 | \$1,500,000 | \$3,000,000 | \$6,000,000 |
| \$100,000        | 0.558     | N/A       | N/A         | N/A         | N/A         | N/A         |
| \$250,000        | N/A       | 0.759     | N/A         | N/A         | N/A         | N/A         |
| \$500,000        | N/A       | N/A       | 0.823       | 0.847       | N/A         | N/A         |
| \$1,000,000      | N/A       | N/A       | 0.912       | N/A         | 1.00        | N/A         |
| \$2,000,000      | N/A       | N/A       | N/A         | N/A         | N/A         | 1.35        |

Other limit combinations are available. The Limit Factor will be determined by extrapolation.

## C. CLAIMS MADE AND OCCURRENCE FACTORS

The following claims made factors apply.

| <u>Year of Policy</u>               | <u>Claims Made Factor</u> |
|-------------------------------------|---------------------------|
| 1 <sup>st</sup> Year                | .40 of base rate          |
| 2 <sup>nd</sup> Year                | .70 of base rate          |
| 3 <sup>rd</sup> Year                | .90 of base rate          |
| 4 <sup>th</sup> Year and thereafter | 1.00 of base rate         |

The following factor applies for an occurrence form policy.

| <u>Year of Policy</u> | <u>Occurrence Factor</u> |
|-----------------------|--------------------------|
| All                   | 1.20 of base rate        |



## **D. PRIOR ACTS COVERAGE**

Prior acts coverage may be provided on claims-made policies for claims first made during the policy period with the Company but related to acts occurring before policy inception. This coverage is available under the following conditions.

### **1. Retroactive Coverage**

If an insured new to the Company has a prior policy written on a claims-made basis, the insured may request coverage for claims (1) occurring after the retroactive date of the prior policy but before policy inception with the Company and (2) first reported during the policy period with the Company. The declaration page from the prior policy must be provided as proof of continuous claims-made coverage back to the requested retroactive date.

If retroactive coverage is not approved, the applicant will be advised that an extended reporting period should be purchased from their previous carrier.

The applicable Claims Made Factor will be applied to the base premium based on the term of retroactive coverage provided. For example, if two years of retroactive coverage is provided, a third year claims made factor will be used in rating the current policy. If the retroactive date requested is four or more years prior to the current policy inception date, the mature claims made factor applies.

### **2. Nose Coverage**

If an insured is changing from a claims-made policy to one written on an occurrence basis, the insured may request coverage for claims (1) arising from acts that occur after the retroactive date on the prior claims-made basis policy but before the inception date with the Company of the occurrence basis policy and (2) not previously reported to any prior carrier. A copy of the insured's prior claims-made policy declaration page must be provided to verify the term of prior acts coverage.

If prior acts coverage is not approved, the insured will be advised that an extended reporting period should be purchased.

Refer to Company for rating.

## E. NEW PODIATRIST DISCOUNT

1. A discount may be applied to premiums for both surgical and non-surgical podiatrists who are recent podiatric medical school graduates, recent residency graduates, practitioners who have recently completed a preceptorship, and practitioners who have recently completed a tour of duty not in excess of three years duration in the Armed Forces of the United States or in a U.S. federal or state government service program.

The claims made or occurrence factor is applied to the Base Rate first, followed by the new podiatrist factor as described in the following table.

### Claims Made Form

| <u>Year of Policy</u>               |   | <u>Claims Made Factor</u> |   | <u>New Podiatrist Factor</u> | <u>Discounted Claims Made Factors</u> |
|-------------------------------------|---|---------------------------|---|------------------------------|---------------------------------------|
| 1 <sup>st</sup> Year                | X | .40 of base rate          | X | .25                          | .100 of base rate                     |
| 2 <sup>nd</sup> Year                | X | .70 of base rate          | X | .50                          | .350 of base rate                     |
| 3 <sup>rd</sup> Year                | X | .90 of base rate          | X | .75                          | .675 of base rate                     |
| 4 <sup>th</sup> Year and thereafter | X | 1.00 of base rate         | X | 1.00                         | 1.000 of base rate                    |

### Occurrence Form

| <u>Year of Policy</u>               |   | <u>Occurrence Factor</u> |   | <u>New Podiatrist Factor</u> | <u>Discounted Occurrence Factors</u> |
|-------------------------------------|---|--------------------------|---|------------------------------|--------------------------------------|
| 1 <sup>st</sup> Year                | X | 1.20 of base rate        | X | .25                          | .300 of base rate                    |
| 2 <sup>nd</sup> Year                | X | 1.20 of base rate        | X | .50                          | .600 of base rate                    |
| 3 <sup>rd</sup> Year                | X | 1.20 of base rate        | X | .75                          | .900 of base rate                    |
| 4 <sup>th</sup> Year and thereafter | X | 1.20 of base rate        | X | 1.00                         | 1.200 of base rate                   |

The New Podiatrist discount cannot be combined with the Part-Time Podiatrist Discount or any other scheduled debit, credit or premium discount.

The first year of practice is defined as entry into Podiatric practice within the twelve month period following the completion of podiatric medical school, residency, preceptorship or a tour of duty not in excess of three years duration in the Armed Forces of the United States or in a U.S. federal or state government service program.

## F. PART-TIME PODIATRIST DISCOUNT

A discount may be applied to premiums for both surgical and non-surgical podiatrists not exceeding certain averaged combinations of hours of practice per week and number of patients seen per week. The criteria are described in the following table.

| Podiatrists who, during the 12 month policy period, both:  |  | Credit    |
|--|--|-----------|
| 1. Work an average of 16 hours or less per week and<br>Have average patient count of no more than 30 patients per week |  | up to 60% |
| 2. Work an average of 24 hours per week and<br>Have average patient count of no more than 50 patients per week         |  | up to 35% |

The number of hours worked per week and the patient count per week statistics are subject to verification by the Company at time of underwriting and by audit.

The Part Time Podiatrist Discount cannot be combined with the New Podiatrist Discount.

#### **G. RISK MANAGEMENT DISCOUNT**

1. A 10% discount is available for insured Podiatrists who complete the Campmed-administered Risk Management program.
2. A 5% discount is available for completion of any other Company-approved Risk Management program.

## H. EXPERIENCE RATING PLAN

In recognition of the significant variability in the risk exposures that exist among podiatrists and their practices that are indicated by prior claims experience, the Company may apply debits and credits to the other applicable rate based on assessment of the frequency and severity of Losses that have been previously experienced by the insured. The experience rating plan applies to Losses incurred during all prior years covered by the Company or, as indicated below, to insureds new to the Company. The experience rating plan applies to surgical and non-surgical podiatry classifications as well as new practitioners and part time podiatrists. Experience debits and credits are evaluated at new to the Company policy inception and annually at renewal.

For the purpose of applying the experience rating plan, “**Losses**” are defined as the aggregate case based reserves and paid loss and loss adjustment expenses incurred by the insured. “**Loss Ratio**” is defined as (1) total Losses divided by (2) total premiums. “**Claims**” are incidents that result in Losses.

| Experience Rating Plan debits and credits (+/-)  | Range       |
|--|-------------|
| 1. New or Existing insured   |             |
| Three or more consecutive years with no Losses   | up to -15%  |
| 2. New insured with prior Losses   |             |
| Insured has experienced one or more Losses under prior carriers. The frequency and severity of claims is considered in charging this debit | up to +200% |
| 3. Existing insured with prior Losses  |             |
| Loss Ratio does not exceed 115%. The frequency and severity of claims is considered in charging this debit                                 | up to +15%  |
| 4. Existing insured with prior Losses  |             |
| Loss Ratio exceeds 115%  | up to +200% |

The method of calculation for this surcharge includes data from all prior years with the Company and uses the following formula:

$$\text{Loss Ratio} - 100\% = \text{Debit Factor}$$

*For example, \$53,000 in total Losses divided by \$25,000 in total premiums = 212% - 100% = 112%. This factor can not be more the 200%. In this example, the 112% surcharge factor is multiplied by the base rate before the application of scheduled debits and credits to yield the additional premium debit to be added to the base rate.*

The purpose of the experience rating plan is to increase the availability of professional liability coverage even in the presence of a history of adverse claims.

|                                   |               |
|-----------------------------------|---------------|
| Maximum Experience Credit / Debit | -15% to +200% |
|-----------------------------------|---------------|

## **I. SCHEDULED DEBITS & CREDITS**

In recognition of the significant variability in the risk exposures that exist among podiatrists and their practices, the Company may apply debits and credits to the otherwise applicable rate dependent upon the underwriter's overall evaluation of the entire risk. Examples of criteria that may be evaluated are listed below.

Both debits and credits are subject to maximum allowed in the state and are reviewable annually.

Appropriate supporting documentation will be kept in the insured's file.

### **1. Schedule of debits and credit (+/-) criteria**

#### **Claims Management**

- Internal Review Procedures
- Commitment to Loss Prevention
- Incident/Claim Reporting Procedures
- Other

#### **Risk Management**

- Credentialing/Peer Review
- Medical Record/Consent Form Documentation
- Quality Assurance Procedures
- Employee Selection, Training and Supervision
- Other

#### **General Factors**

- Hospital Staff Privileges
- Managed Care Network Participation
- Unusually high or low patient volumes
- Other

### **2. Maximum Allowed Debits and Credits**

+/- 25%

## **J. SURCHARGES**

Surcharges apply to surgical and non-surgical podiatry classifications as well as new and part time podiatrists.

### **1. Non-participation in Campmed Podiatric Risk Mgmt/Claims Review Program**

The Company may apply a surcharge for non-participation in the Campmed Podiatric Risk Management and Claims review program of up to +200%. This surcharge factor is multiplied by the base rate before the application of scheduled debits and credits to yield the additional premium surcharge.

The purpose of this surcharge is to strongly encourage the participation in risk management and claims review programs where they are available.

### **III. PROFESSIONAL ENTITY LIABILITY COVERAGE**

#### **A. SHARED LIMITS**

Professional Entity Liability coverage may be added to an individual policy for a corporation, partnership, LLC or professional association under which the insured podiatrist practices for:

1. no additional charge if the individual podiatrist is an owner or partner; or
2. \$250 if the individual podiatrist is employed by the entity.

This coverage provides vicarious liability to the professional entity for the actions of the insured podiatrist and persons under their personal direction, supervision or control.

#### **B. SEPARATE LIMITS**

Professional Entity Liability coverage with separate limits may be purchased to cover the liability of a corporation, partnership, or professional association for the actions of the insured podiatrists based on to the following guidelines:

1. 10% of the applicable insured's individual professional liability premium will be charged for each partner, shareholder or employed physician insured by the Company.
2. 20% of the applicable insured's individual professional liability premium will be charged for each partner, shareholder or employed podiatrist not insured by the Company.
3. If coverage is provided on a corporate policy for podiatrists not insured through the Company, a copy of their current individual professional liability declarations page and their current annual premium must be on file with the Company.



#### IV. EXTENDED REPORTING PERIOD COVERAGE

##### A. PURCHASED EXTENDED REPORTING PERIOD

Extended Reporting Period Coverage applies to claims made policies for claims that are first made during the extended reporting period against the insured by reason of alleged medical malpractice that occurred after the retroactive date shown in the expiring policy Declarations Page but before the effective date of cancellation or non-renewal. Extended Reporting Period (Tail) Coverage will be available to all podiatrists as provided by state statute. An eligible insured may purchase an Extended Reporting Period provided the insured requests and pays for the coverage within 30 days after the effective date of cancellation or non-renewal of the policy.

Available Limits of Liability shall not exceed those afforded under the expiring claims-made policy. The extended reporting premium is equal in amount to the Extended Reporting Factor multiplied by the premium determined on the basis of a mature (four years and thereafter) policy.

| <u>Number of Years of Prior Company Claims-Made Coverage</u> | <u>Unlimited Extended Reporting Factor</u> |
|--|--|
| 1  | 1.02                                       |
| 2  | 1.44                                       |
| 3  | 1.68                                       |
| 4  | 1.80                                       |

Extended Reporting Periods of shorter duration available. Refer to the Company for rating.

##### B. PREMIUM WAIVED EXTENDED REPORTING PERIOD

Extended Reporting Period ("tail") premium will be waived under the following conditions:

1. Death of insured
2. Permanent Disability, defined as disability of insured having existed continuously for not less than six months, with the disability expected to be continuous and permanent and having rendered the insured incapable of practicing or continuing to practice within the scope of their medical license.
3. Permanent Retirement at or after the age of 55, defined as the insured permanently ceasing to perform services within the scope of their medical license after attaining the age of 55. The insured must have accumulated five or more consecutive years of mature claims-made coverage with the Company.
4. Permanent Retirement at or after the age of 60, defined as the insured permanently ceasing to perform services within the scope of their medical license after attaining the age of 60. The insured must have accumulated two consecutive years of mature claims-made coverage with the Company and be claims free for the prior ten years.

Limits of Insurance are not reinstated or increased under this provision.

If disability or retirement later ends, premium for Extended Reporting Period Coverage is reinstated and due in full within 30 days.

## **V. GENERAL RULES**

### **A. PREMIUM COMPUTATION AND ROUNDING**

1. The computation of premium for new and renewal policies is based on the premium rates in effect at the inception or renewal date of the policy.
2. Risks involving exposures outside those covered in the manual should be referred to the Company for rating based on the specific facts.
3. Each insured is rated based on the territory in which he or she practices. If a proportion of any insured's practice is outside of that primary territory, the Company may consider the proportion of his or her practice that is in such other location in determining the insured's overall premium.
4. Rounding is to the nearest dollar amount at each step of the computation process, rather than rounding the final premium. Amounts \$0.50 or greater are rounded up to the next higher whole dollar; less than \$0.50 are rounded down to the next lower whole dollar.

### **B. COVERAGE CHANGE REQUESTS**

1. Insureds may request changes in coverage at any time during the policy year. The rates and rules in effect on the effective date of the change apply. Premium changes will be computed on a pro-rata basis. No premium waiver for additional premium applies.
2. Any request for change in coverage must be submitted in writing and signed by the named insured.
3. If an insured requests a change in classification from Surgery to Non-Surgery, the premium will be calculated using a step down rate where the Higher Rated and Lower Rated premiums are both calculated, and then the following factors applied to both premiums to equal 100%.
  - a. Yr 1: 90% current Higher Rated premium + 10% current Lower Rated premium = premium charged
  - b. Yr 2: 70% Yr 1 Higher Rated premium + 30% current Lower Rated premium = premium charged
  - c. Yr 3: 40% Yr 1 Higher Rated premium + 60% current Lower Rated premium = premium charged
  - d. Yr 4: 100% current Lower Rated premium = premium charged

### **C. LEAVE OF ABSENCE**

An insured may interrupt his or her practice for such reasons as illness, childbirth, sabbatical leave, or to undertake additional training. The Company may provide a Leave of Absence of not less than thirty days or longer than one year in such situations and when at its discretion the Company determines the leave to be appropriate. This option is allowed only once every four years except for reasons of disability or pregnancy. Policy maturation continues during the leave period. Claims which arise from incidents that take place subsequent to the retroactive date may be reported during the period of leave. Claims or suits based on incidents occurring within the period of leave will not be covered. The premium during a Leave of Absence is calculated on a pro-rata basis using the following factors.

|                              |                       |
|------------------------------|-----------------------|
| 1st year claims made         | .34 of mature premium |
| 2nd year claims made         | .48 of mature premium |
| 3rd year claims made         | .56 of mature premium |
| 4th year of more claims made | .62 of mature premium |

#### D. LOCUM TENENS COVERAGE

This coverage will be offered at no charge for periods of sixty days within any policy year, subject to underwriting approval of the replacement podiatrist.

#### E. RETURN PREMIUM POLICY

1. Deletion of a state mandated coverage is not permitted unless the entire policy is canceled.
2. Premium will be computed for policy cancellation utilizing the annualized policy premium charged.
3. Short rate computations may apply to any cancellation request made by anyone other than the Company, and for cancellations due to non-payment.
4. Return premium will be computed pro-rata by rounding to the next higher whole dollar when any coverage is deleted, when an amount of insurance is reduced, or when policy is canceled by the Company.
5. No premium waivers apply for return premium.

#### F. POLICY CANCELLATION / NON-RENEWAL

Procedures for cancellation or non-renewal of policies will follow all ISO provisions set out in Common Policy Conditions form IL 00 17 as amended by any state mandatory endorsement relating to cancellation and non-renewal.

#### G. PAYMENT PLAN

Premium for all policies may be paid in full at policy inception or the insured may opt to use either a four or nine payment installment plan.

##### 1. Four Installment Plan

| <u>Installment</u> | <u>Due Date</u>                                     | <u>Premium Due</u>          | <u>Fee Due</u> |
|--------------------|---|-----------------------------|----------------|
| 1                  | At inception  | 25% of total premium        | + \$25         |
| 2                  | 1 <sup>st</sup> day of 3 <sup>rd</sup> policy month | 25% of total premium        | + \$25         |
| 3                  | 1 <sup>st</sup> day of 6 <sup>th</sup> policy month | 25% of total premium        | + \$25         |
| 4                  | 1 <sup>st</sup> day of 9 <sup>th</sup> policy month | <u>25% of total premium</u> | + <u>\$25</u>  |
|                    |   | 100%                        | \$100          |

##### 2. Nine Installment Plan

| <u>Installment</u> | <u>Due Date</u>                                      | <u>Premium Amount Due</u>    | <u>Fee Due</u> |
|--------------------|--|------------------------------|----------------|
| 1                  | At inception   | 25% of total premium         | + \$15         |
| 2                  | 1 <sup>st</sup> day of 3 <sup>rd</sup> policy month  | 12.5% of remaining premium   | + \$15         |
| 3                  | 1 <sup>st</sup> day of 4 <sup>th</sup> policy month  | Same as installment 2        | + \$15         |
| 4                  | 1 <sup>st</sup> day of 5 <sup>th</sup> policy month  | Same as installment 2        | + \$15         |
| 5                  | 1 <sup>st</sup> day of 6 <sup>th</sup> policy month  | Same as installment 2        | + \$15         |
| 6                  | 1 <sup>st</sup> day of 7 <sup>th</sup> policy month  | Same as installment 2        | + \$15         |
| 7                  | 1 <sup>st</sup> day of 8 <sup>th</sup> policy month  | Same as installment 2        | + \$15         |
| 8                  | 1 <sup>st</sup> day of 9 <sup>th</sup> policy month  | Same as installment 2        | + \$15         |
| 9                  | 1 <sup>st</sup> day of 10 <sup>th</sup> policy month | <u>Same as installment 2</u> | + <u>\$15</u>  |
|                    |  | 100%                         | \$135          |

**Campmed Casualty & Indemnity Company, Inc. of Maryland**  
**Podiatry Professional Liability Rates and Rules Manual**  
**APPENDIX A - ILLINOIS EXCEPTION PAGES**

**1.) BASE RATES**

Section II. **INDIVIDUAL PODIATRIC PROFESSIONAL LIABILITY RATES**, Item A. **BASE RATES**, Paragraph 1. **Rates by Territory** is deleted and replaced with the following:

**1. Rates by Territory**

Base Rates for limits of \$1,000,000 each claim / \$3,000,000 annual aggregate, claims made form where defense costs do not erode policy limits are shown in the table below.

| <u>Territory</u>                 | <u>Surgical</u> | <u>Non-Surgical</u> |
|----------------------------------|-----------------|---------------------|
| I. Remainder of State            | \$10,771        | \$ 7,181            |
| II. Dupage, Will & Lake Counties | \$10,771        | \$ 7,181            |
| III. Cook County                 | \$16,972        | \$11,315            |

**2.) RESIDENT DISCOUNT**

Item K. **RESIDENT DISCOUNT** is added to Section II. **INDIVIDUAL PODIATRIC PROFESSIONAL LIABILITY RATES** as follows:

**K. RESIDENT DISCOUNT**

A discount may be applied to premiums for residents participation in a podiatric residency training program approved by the Council on Podiatric Medical Education (C.P.M.E.). Coverage will be offered on an occurrence basis only. Premium will be computed according to the following formula:

Claim Made Base Rate X 1.20 Occurrence Factor X .25 Resident Discount Factor

**3.) RESIDENCY DIRECTOR DISCOUNT**

Item L. **RESIDENCY DIRECTOR DISCOUNT** is added to Section II. **INDIVIDUAL PODIATRIC PROFESSIONAL LIABILITY RATES** as follows:

**L. RESIDENCY DIRECTOR DISCOUNT**

A 25% discount may be applied to the premium of an individual podiatrist who has been appointed as a director for a podiatric residency program.

**4.) EXTENDED REPORTING PERIOD COVERAGE**

Section IV. **EXTENDED REPORTING PERIOD COVERAGE**, Item A. **PURCHASED EXTENDED REPORTING PERIOD** is deleted and replaced with the following:

**A. PURCHASED EXTENDED REPORTING PERIOD**

Extended Reporting Period Coverage applies to claims made policies for claims that are first made during the extended reporting period against the insured by reason of alleged medical malpractice that occurred after the retroactive date shown in the expiring policy Declarations Page but before the effective date of cancellation or non-renewal. An eligible insured may purchase an Extended Reporting Period provided the

insured requests and pays for the coverage within 30 days after the effective date of cancellation or non-renewal of the policy.

Available Limits of Liability shall not exceed those afforded under the expiring claims-made policy. The extended reporting premium is equal in amount to the Extended Reporting Factor multiplied by the expiring annual premium of the policy.

The Company shall inform the Insured of the optional Extended Reporting Period Coverage (ERP) premium at the time the last policy is purchased. The Company may not wait until the Insured requests to purchase the ERP to tell the Insured what the premium will be or how the premium would be calculated.

The Risk Management Activity Discount and the Scheduled and Experience Rating Plan Debits and Credits shall, if applicable, be applied when determining the final extended reporting period premium.

The Part-Time Podiatrist Discount, New Podiatrist Discount, and Leave of Absence Credit shall not, if applicable, be applied when determining the final extended reporting period premium.

The Company will offer the Extended Reporting Period Coverage upon policy termination for any reason, including non-payment of premium and whether the policy was terminated at the request of the Company or the insured.

| Years of Company<br>Claims Made<br>Coverage | Extended Reporting Period (ERP) Duration Factors |        |        |           |
|---|--|--------|--------|-----------|
|   | 1 Year   | 2 Year | 3 Year | Unlimited |
| 1   | 0.61   | 0.77   | 0.89   | 1.02      |
| 2   | 0.86   | 1.08   | 1.26   | 1.44      |
| 3   | 1.01   | 1.26   | 1.47   | 1.68      |
| 4   | 1.08   | 1.35   | 1.58   | 1.80      |

## **5.) PAYMENT PLAN**

Section **V. GENERAL RULES**, Item **G. PAYMENT PLAN** is deleted and replaced with the following:

### **G. PAYMENT PLAN**

Premium for all policies may be paid in full at policy inception or the insured may opt to use a four installment plan.

Fee per installment will be equal to the lesser of 1% of the total premium or \$25.

Any additional premium resulting to changes to the policy will be spread equally over the remaining installments, if any. If no installments remain, entire amount of additional premium will be billed.

#### **Four Installment Plan**

| Installment | Due Date  | Premium Due          |
|-------------|---|----------------------|
| 1           | At inception  | 25% of total premium |
| 2           | 1 <sup>st</sup> day of 3 <sup>rd</sup> policy month | 25% of total premium |
| 3           | 1 <sup>st</sup> day of 6 <sup>th</sup> policy month | 25% of total premium |
| 4           | 1 <sup>st</sup> day of 9 <sup>th</sup> policy month | 25% of total premium |
|             |   | 100%                 |

## **6.) OPTIONAL ENDORSEMENTS**

The following optional endorsements are added as Section **VI. OPTIONAL COVERAGE ENDORSEMENTS.**

### **1. ADMINISTRATIVE DEFENSE COVERAGE**

CMC 0043, Supplementary Payments-Administrative Defense Coverage Endorsement, may be added to the policy for an additional premium shown below. This endorsement provides defense costs for defense against administrative actions related to medical licensing board actions; hospital medical staff peer review actions; managed care decertification actions; actions related to billing and/or coding errors and omissions under programs sponsored by Medicaid, Medicare, and other payers, and any actions related to any violation of HIPAA requirements.

| <b><u>Limit</u></b> | <b><u>Charge</u></b> |
|---------------------|----------------------|
| \$25,000            | \$250.00             |

### **2. MEDICAL WASTE LEGAL EXPENSE REIMBURSEMENT**

CMC 0082, Supplementary Payments- Medical Waste Legal Expense Reimbursement, may be added to the policy at no additional charge. The limit of liability afforded for this coverage is \$50,000 per incident/\$50,000 Annual Aggregate.

### **3. NOTICE OF INCIDENT**

CMC 0090, Notice of Incident, may be added to the policy at the request of the insured. The endorsement amends when a claim is considered first made to the date the company receives written notice from the insured of a potential claim. Refer to Company for rating.

### **4. CORPORATE EMPLOYEE COVERAGE**

CMC 0091 or CMC 0092, Corporate Employee Coverage (Claims Made / Occurrence basis respectively), may be added to the policy at no additional charge. The endorsement provides coverage under Business Entity Coverage B to certain licensed health care providers who do not have or are not required to have an individual professional liability insurance policy. A list of health care providers to whom this coverage is not extended is contained in the endorsement.

### **5. SEXUAL MISCONDUCT DEFENSE COVERAGE**

CMC 0098, Supplementary Payments-Sexual Misconduct Defense Coverage, may be added to the policy. This endorsement provides reimbursement for defense costs incurred by the insured for investigation or defense of a suit arising out of sexual misconduct allegations. A limit of insurance of \$25,000 per incident/\$25,000 Aggregate is available at no additional charge. A higher limit of insurance of \$100,000 per incident/\$300,000 Aggregate is available for the addition premium of \$250.

**Campmed Casualty & Indemnity Company, Inc.  
of Maryland**

**Podiatry Professional Liability  
Rates and Rules Manual**

**Countrywide**



**Campmed Casualty & Indemnity Company, Inc. of Maryland**

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STATE OF ILLINOIS  
DEPARTMENT OF INSURANCE  
SPRINGFIELD ILLINOIS

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Appendix A – State Exception Pages

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**I. SUMMARY OF INSURANCE COVERAGE**

**A. Coverage Types**

1. Individual Professional Liability
2. Professional Entity Liability (Corporate, Partnership, or Professional Association)

**B. Coverage Form**

1. Claims Made
2. Occurrence

**C. Rating Classifications**

1. Podiatry Non-Surgical
2. Podiatry Surgical

**D. Limits of Liability**

1. \$100,000 Each Claim / \$300,000 Annual Aggregate
2. \$250,000 Each Claim / \$750,000 Annual Aggregate
3. \$500,000 Each Claim / \$1,000,000 Annual Aggregate
4. \$500,000 Each Claim / \$1,500,000 Annual Aggregate
5. \$1,000,000 Each Claim / \$1,000,000 Annual Aggregate
6. \$1,000,000 Each Claim / \$3,000,000 Annual Aggregate
7. \$2,000,000 Each Claim / \$6,000,000 Annual Aggregate

**E. Policy Term**

Policies are written for one year term and renewed annually thereafter. On exception, a short term policy may be issued on a pro-rata basis and then renewed for an annual term thereafter.

**F. Use of ISO Materials**

The Company is a member of ISO. However, all rates used with this program will be filed by the Company and will not be used in conjunction with any ISO Experience/Schedule Rating Plan.

The Company will use ISO rules and forms for all items not specifically addressed in this filing.

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## II. INDIVIDUAL PODIATRIC PROFESSIONAL LIABILITY RATES

### A. BASE RATES

Policies will be written for individual Surgical or Non-Surgical podiatrists on either a claims-made or occurrence basis according to the territory where they practice.

#### 1. Rates by Territory

Base Rates for limits of \$1,000,000 each claim / \$3,000,000 annual aggregate, claims made form where defense costs do not erode policy limits are shown in **Appendix A-State Exception Pages**.

#### 2. Coverage

Coverage is provided for all procedures authorized by state statute and/or regulation in each state where a license is held.

#### 3. Surgical / Non-Surgical Definitions

Podiatry Surgical includes any procedure which requires an incision below the dermis, requires an anesthetic or intravenous or gaseous sedation including post-operative treatment or involves debridement of ligaments, tendons or bones. Exceptions to this definition include diagnostic and therapeutic injections, surgical procedures involving the nails, excision of skin lesions, incision and drainage of abscesses, punch biopsies and the treatment of ulcers only if an incision below the dermis is not required.

Post operative treatment will be covered under a non-surgical policy if and only if the podiatrist performing the surgery maintains a surgical policy with the Company which did not contain a surgical exclusion and was either an occurrence policy which was effective on the date of the subject surgery or a claims-made policy with a retroactive date prior to the surgery which was continuously in effect through the date on which the claim was first made.

A podiatrist will not be covered under a non-surgical policy if they act as an assistant surgeon or perform any surgical intervention.

A podiatrist will not be covered under a non surgical policy if they participate in a decision regarding whether a post-operative patient should be returned to an operating room for further surgery unless a surgeon makes the final decision or the patient requires emergency surgery and any delay could result in death.

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## B. INCREASED/REDUCED LIMITS FACTORS

| Each Claim  | Annual Aggregate |           |             |             |             |             |
|-------------|------------------|-----------|-------------|-------------|-------------|-------------|
|             | \$300,000        | \$750,000 | \$1,000,000 | \$1,500,000 | \$3,000,000 | \$6,000,000 |
| \$100,000   | 0.558            | N/A       | N/A         | N/A         | N/A         | N/A         |
| \$250,000   | N/A              | 0.759     | N/A         | N/A         | N/A         | N/A         |
| \$500,000   | N/A              | N/A       | 0.823       | 0.847       | N/A         | N/A         |
| \$1,000,000 | N/A              | N/A       | 0.912       | N/A         | 1.00        | N/A         |
| \$2,000,000 | N/A              | N/A       | N/A         | N/A         | N/A         | 1.35        |

Other limit combinations are available. The Limit Factor will be determined by extrapolation.

## C. CLAIMS MADE AND OCCURRENCE FACTORS

The following claims made factors apply.

| <u>Year of Policy</u>               | <u>Claims Made Factor</u> |
|-------------------------------------|---------------------------|
| 1 <sup>st</sup> Year                | .40 of base rate          |
| 2 <sup>nd</sup> Year                | .70 of base rate          |
| 3 <sup>rd</sup> Year                | .90 of base rate          |
| 4 <sup>th</sup> Year and thereafter | 1.00 of base rate         |

The following factor applies for an occurrence form policy.

| <u>Year of Policy</u> | <u>Occurrence Factor</u> |
|-----------------------|--------------------------|
| All                   | 1.20 of base rate        |

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#### **D. PRIOR ACTS COVERAGE**

Prior acts coverage may be provided on claims-made policies for claims first made during the policy period with the Company but related to acts occurring before policy inception. This coverage is available under the following conditions.

##### **1. Retroactive Coverage**

If an insured new to the Company has a prior policy written on a claims-made basis, the insured may request coverage for claims (1) occurring after the retroactive date of the prior policy but before policy inception with the Company and (2) first reported during the policy period with the Company. The declaration page from the prior policy must be provided as proof of continuous claims-made coverage back to the requested retroactive date.

If retroactive coverage is not approved, the applicant will be advised that an extended reporting period should be purchased from their previous carrier.

The applicable Claims Made Factor will be applied to the base premium based on the term of retroactive coverage provided. For example, if two years of retroactive coverage is provided, a third year claims made factor will be used in rating the current policy. If the retroactive date requested is four or more years prior to the current policy inception date, the mature claims made factor applies.

##### **2. Nose Coverage**

If an insured is changing from a claims-made policy to one written on an occurrence basis, the insured may request coverage for claims (1) arising from acts that occur after the retroactive date on the prior claims-made basis policy but before the inception date with the Company of the occurrence basis policy and (2) not previously reported to any prior carrier. A copy of the insured's prior claims-made policy declaration page must be provided to verify the term of prior acts coverage.

If prior acts coverage is not approved, the insured will be advised that an extended reporting period should be purchased.

Refer to Company for rating.

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## E. NEW PODIATRIST DISCOUNT

1. A discount may be applied to premiums for both surgical and non-surgical podiatrists who are recent podiatric medical school graduates, recent residency graduates, practitioners who have recently completed a preceptorship, and practitioners who have recently completed a tour of duty not in excess of three years duration in the Armed Forces of the United States or in a U.S. federal or state government service program.

The claims made or occurrence factor is applied to the Base Rate first, followed by the new podiatrist factor as described in the following table.

### Claims Made Form

| <u>Year of Policy</u>               | <u>Claims Made Factor</u> | <u>New Podiatrist Factor</u> | <u>Discounted Claims Made Factors</u> |
|-------------------------------------|---------------------------|------------------------------|---------------------------------------|
| 1 <sup>st</sup> Year                | X .40 of base rate        | X .25                        | .100 of base rate                     |
| 2 <sup>nd</sup> Year                | X .70 of base rate        | X .50                        | .350 of base rate                     |
| 3 <sup>rd</sup> Year                | X .90 of base rate        | X .75                        | .675 of base rate                     |
| 4 <sup>th</sup> Year and thereafter | X 1.00 of base rate       | X 1.00                       | 1.000 of base rate                    |

### Occurrence Form

| <u>Year of Policy</u>               | <u>Occurrence Factor</u> | <u>New Podiatrist Factor</u> | <u>Discounted Occurrence Factors</u> |
|-------------------------------------|--------------------------|------------------------------|--------------------------------------|
| 1 <sup>st</sup> Year                | X 1.20 of base rate      | X .25                        | .300 of base rate                    |
| 2 <sup>nd</sup> Year                | X 1.20 of base rate      | X .50                        | .600 of base rate                    |
| 3 <sup>rd</sup> Year                | X 1.20 of base rate      | X .75                        | .900 of base rate                    |
| 4 <sup>th</sup> Year and thereafter | X 1.20 of base rate      | X 1.00                       | 1.200 of base rate                   |

The New Podiatrist discount cannot be combined with the Part-Time Podiatrist Discount or any other scheduled debit, credit or premium discount.

The first year of practice is defined as entry into Podiatric practice within the twelve month period following the completion of podiatric medical school, residency, preceptorship or a tour of duty not in excess of three years duration in the Armed Forces of the United States or in a U.S. federal or state government service program.

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#### **F. PART-TIME PODIATRIST DISCOUNT**

A discount may be applied to premiums for both surgical and non-surgical podiatrists not exceeding certain averaged combinations of hours of practice per week and number of patients seen per week. The criteria are described in the following table.

| <b>Podiatrists who, during the 12 month policy period, both:</b>   | <b>Credit</b> |
|--|---------------|
| 1. Work an average of 16 hours or less per week and<br>Have average patient count of no more than 30 patients per week | up to 60%     |
| 2. Work an average of 24 hours per week and<br>Have average patient count of no more than 50 patients per week         | up to 35%     |

The number of hours worked per week and the patient count per week statistics are subject to verification by the Company at time of underwriting and by audit.

The Part Time Podiatrist Discount cannot be combined with the New Podiatrist Discount.

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SPRINGFIELD, ILLINOIS

#### **G. RISK MANAGEMENT DISCOUNT**

1. A 10% discount is available for insured Podiatrists who complete the Campmed-administered Risk Management program.
2. A 5% discount is available for completion of any other Company-approved Risk Management program.

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## H. EXPERIENCE RATING PLAN

In recognition of the significant variability in the risk exposures that exist among podiatrists and their practices that are indicated by prior claims experience, the Company may apply debits and credits to the other applicable rate based on assessment of the frequency and severity of Losses that have been previously experienced by the insured. The experience rating plan applies to Losses incurred during all prior years covered by the Company or, as indicated below, to insureds new to the Company. The experience rating plan applies to surgical and non-surgical podiatry classifications as well as new practitioners and part time podiatrists. Experience debits and credits are evaluated at new to the Company policy inception and annually at renewal.

For the purpose of applying the experience rating plan, "**Losses**" are defined as the aggregate case based reserves and paid loss and loss adjustment expenses incurred by the insured. "**Loss Ratio**" is defined as (1) total Losses divided by (2) total premiums. "**Claims**" are incidents that result in Losses.

| Experience Rating Plan debits and credits (+/-)  | Range       |
|--|-------------|
| 1. New or Existing insured<br>Three or more consecutive years with no Losses   | up to -15%  |
| 2. New insured with prior Losses<br>Insured has experienced one or more Losses under prior carriers. The frequency and severity of claims is considered in charging this debit | up to +200% |
| 3. Existing insured with prior Losses<br>Loss Ratio does not exceed 115%. The frequency and severity of claims is considered in charging this debit                            | up to +15%  |
| 4. Existing insured with prior Losses<br>Loss Ratio exceeds 115%   | up to +200% |

The method of calculation for this surcharge includes data from all prior years with the Company and uses the following formula:

$$\text{Loss Ratio} - 100\% = \text{Debit Factor}$$

*For example, \$53,000 in total Losses divided by \$25,000 in total premiums = 212% - 100% = 112%. This factor can not be more the 200%. In this example, the 112% surcharge factor is multiplied by the base rate before the application of scheduled debits and credits to yield the additional premium debit to be added to the base rate.*

The purpose of the experience rating plan is to increase the availability of professional liability coverage even in the presence of a history of adverse claims.

|                                   |               |
|-----------------------------------|---------------|
| Maximum Experience Credit / Debit | -15% to +200% |
|-----------------------------------|---------------|

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## **I. SCHEDULED DEBITS & CREDITS**

In recognition of the significant variability in the risk exposures that exist among podiatrists and their practices, the Company may apply debits and credits to the otherwise applicable rate dependent upon the underwriter's overall evaluation of the entire risk. Examples of criteria that may be evaluated are listed below.

Both debits and credits are subject to maximum allowed in the state and are reviewable annually.

Appropriate supporting documentation will be kept in the insured's file.

### **1. Schedule of debits and credit (+/-) criteria**

#### **Claims Management**

- Internal Review Procedures
- Commitment to Loss Prevention
- Incident/Claim Reporting Procedures
- Other

#### **Risk Management**

- Credentialing/Peer Review
- Medical Record/Consent Form Documentation
- Quality Assurance Procedures
- Employee Selection, Training and Supervision
- Other

#### **General Factors**

- Hospital Staff Privileges
- Managed Care Network Participation
- Unusually high or low patient volumes
- Other

### **2. Maximum Allowed Debits and Credits**

+/- 25%

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## **J. SURCHARGES**

Surcharges apply to surgical and non-surgical podiatry classifications as well as new and part time podiatrists.

### **1. Non-participation in Campmed Podiatric Risk Mgmt/Claims Review Program**

The Company may apply a surcharge for non-participation in the Campmed Podiatric Risk Management and Claims review program of up to +200%. This surcharge factor is multiplied by the base rate before the application of scheduled debits and credits to yield the additional premium surcharge.

The purpose of this surcharge is to strongly encourage the participation in risk management and claims review programs where they are available.

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### **III. PROFESSIONAL ENTITY LIABILITY COVERAGE**

#### **A. SHARED LIMITS**

Professional Entity Liability coverage may be added to an individual policy for a corporation, partnership, LLC or professional association under which the insured podiatrist practices for:

1. no additional charge if the individual podiatrist is an owner or partner; or
2. \$250 if the individual podiatrist is employed by the entity.

This coverage provides vicarious liability to the professional entity for the actions of the insured podiatrist and persons under their personal direction, supervision or control.

#### **B. SEPARATE LIMITS**

Professional Entity Liability coverage with separate limits may be purchased to cover the liability of a corporation, partnership, or professional association for the actions of the insured podiatrists based on to the following guidelines:

1. 10% of the applicable insured's individual professional liability premium will be charged for each partner, shareholder or employed physician insured by the Company.
2. 20% of the applicable insured's individual professional liability premium will be charged for each partner, shareholder or employed podiatrist not insured by the Company.
3. If coverage is provided on a corporate policy for podiatrists not insured through the Company, a copy of their current individual professional liability declarations page and their current annual premium must be on file with the Company.

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#### IV. EXTENDED REPORTING PERIOD COVERAGE

##### A. PURCHASED EXTENDED REPORTING PERIOD

Extended Reporting Period Coverage applies to claims made policies for claims that are first made during the extended reporting period against the insured by reason of alleged medical malpractice that occurred after the retroactive date shown in the expiring policy Declarations Page but before the effective date of cancellation or non-renewal. Extended Reporting Period (Tail) Coverage will be available to all podiatrists as provided by state statute. An eligible insured may purchase an Extended Reporting Period provided the insured requests and pays for the coverage within 30 days after the effective date of cancellation or non-renewal of the policy.

Available Limits of Liability shall not exceed those afforded under the expiring claims-made policy. The extended reporting premium is equal in amount to the Extended Reporting Factor multiplied by the premium determined on the basis of a mature (four years and thereafter) policy.

| <u>Number of Years of Prior Company Claims-Made Coverage</u> | <u>Unlimited Extended Reporting Factor</u> |
|--|--|
| 1  | 1.02                                       |
| 2  | 1.44                                       |
| 3  | 1.68                                       |
| 4  | 1.80                                       |

Extended Reporting Periods of shorter duration available. Refer to the Company for rating.

##### B. PREMIUM WAIVED EXTENDED REPORTING PERIOD

Extended Reporting Period ("tail") premium will be waived under the following conditions:

1. Death of insured
2. Permanent Disability, defined as disability of insured having existed continuously for not less than six months, with the disability expected to be continuous and permanent and having rendered the insured incapable of practicing or continuing to practice within the scope of their medical license.
3. Permanent Retirement at or after the age of 55, defined as the insured permanently ceasing to perform services within the scope of their medical license after attaining the age of 55. The insured must have accumulated five or more consecutive years of mature claims-made coverage with the Company.
4. Permanent Retirement at or after the age of 60, defined as the insured permanently ceasing to perform services within the scope of their medical license after attaining the age of 60. The insured must have accumulated two consecutive years of mature claims-made coverage with the Company and be claims free for the prior ten years.

Limits of Insurance are not reinstated or increased under this provision.

If disability or retirement later ends, premium for Extended Reporting Period Coverage is reinstated and due in full within 30 days.

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## V. GENERAL RULES

### A. PREMIUM COMPUTATION AND ROUNDING

1. The computation of premium for new and renewal policies is based on the premium rates in effect at the inception or renewal date of the policy.
2. Risks involving exposures outside those covered in the manual should be referred to the Company for rating based on the specific facts.
3. Each insured is rated based on the territory in which he or she practices. If a proportion of any insured's practice is outside of that primary territory, the Company may consider the proportion of his or her practice that is in such other location in determining the insured's overall premium.
4. Rounding is to the nearest dollar amount at each step of the computation process, rather than rounding the final premium. Amounts \$0.50 or greater are rounded up to the next higher whole dollar; less than \$0.50 are rounded down to the next lower whole dollar.

### B. COVERAGE CHANGE REQUESTS

1. Insureds may request changes in coverage at any time during the policy year. The rates and rules in effect on the effective date of the change apply. Premium changes will be computed on a pro-rata basis. No premium waiver for additional premium applies.
2. Any request for change in coverage must be submitted in writing and signed by the named insured.
3. If an insured requests a change in classification from Surgery to Non-Surgery, the premium will be calculated using a step down rate where the Higher Rated and Lower Rated premiums are both calculated, and then the following factors applied to both premiums to equal 100%.
  - a. Yr 1: 90% current Higher Rated premium + 10% current Lower Rated premium = premium charged
  - b. Yr 2: 70% Yr 1 Higher Rated premium + 30% current Lower Rated premium = premium charged
  - c. Yr 3: 40% Yr 1 Higher Rated premium + 60% current Lower Rated premium = premium charged
  - d. Yr 4: 100% current Lower Rated premium = premium charged

### C. LEAVE OF ABSENCE

An insured may interrupt his or her practice for such reasons as illness, childbirth, sabbatical leave, or to undertake additional training. The Company may provide a Leave of Absence of not less than thirty days or longer than one year in such situations and when at its discretion the Company determines the leave to be appropriate. This option is allowed only once every four years except for reasons of disability or pregnancy. Policy maturation continues during the leave period. Claims which arise from incidents that take place subsequent to the retroactive date may be reported during the period of leave. Claims or suits based on incidents occurring within the period of leave will not be covered. The premium during a Leave of Absence is calculated on a pro-rata basis using the following factors.

|                              |                       |
|------------------------------|-----------------------|
| 1st year claims made         | .41 of mature premium |
| 2nd year claims made         | .58 of mature premium |
| 3rd year claims made         | .67 of mature premium |
| 4th year of more claims made | .72 of mature premium |

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#### D. LOCUM TENENS COVERAGE

This coverage will be offered at no charge for periods of sixty days within any policy year, subject to underwriting approval of the replacement podiatrist.

#### E. RETURN PREMIUM POLICY

1. Deletion of a state mandated coverage is not permitted unless the entire policy is canceled.
2. Premium will be computed for policy cancellation utilizing the annualized policy premium charged.
3. Short rate computations may apply to any cancellation request made by anyone other than the Company, and for cancellations due to non-payment.
4. Return premium will be computed pro-rata by rounding to the next higher whole dollar when any coverage is deleted, when an amount of insurance is reduced, or when policy is canceled by the Company.
5. No premium waivers apply for return premium.

#### F. POLICY CANCELLATION / NON-RENEWAL

Procedures for cancellation or non-renewal of policies will follow all ISO provisions set out in Common Policy Conditions form IL 00 17 as amended by any state mandatory endorsement relating to cancellation and non-renewal.

#### G. PAYMENT PLAN

Premium for all policies may be paid in full at policy inception or the insured may opt to use either a four or nine payment installment plan.

##### 1. Four Installment Plan

| Installment | Due Date  | Premium Due          | Fee Due |
|-------------|---|----------------------|---------|
| 1           | At inception  | 25% of total premium | + \$25  |
| 2           | 1 <sup>st</sup> day of 3 <sup>rd</sup> policy month | 25% of total premium | + \$25  |
| 3           | 1 <sup>st</sup> day of 6 <sup>th</sup> policy month | 25% of total premium | + \$25  |
| 4           | 1 <sup>st</sup> day of 9 <sup>th</sup> policy month | 25% of total premium | + \$25  |
|             |   | 100%                 | \$100   |

##### 2. Nine Installment Plan

| Installment | Due Date   | Premium Amount Due         | Fee Due |
|-------------|--|----------------------------|---------|
| 1           | At inception   | 25% of total premium       | + \$15  |
| 2           | 1 <sup>st</sup> day of 3 <sup>rd</sup> policy month  | 12.5% of remaining premium | + \$15  |
| 3           | 1 <sup>st</sup> day of 4 <sup>th</sup> policy month  | Same as installment 2      | + \$15  |
| 4           | 1 <sup>st</sup> day of 5 <sup>th</sup> policy month  | Same as installment 2      | + \$15  |
| 5           | 1 <sup>st</sup> day of 6 <sup>th</sup> policy month  | Same as installment 2      | + \$15  |
| 6           | 1 <sup>st</sup> day of 7 <sup>th</sup> policy month  | Same as installment 2      | + \$15  |
| 7           | 1 <sup>st</sup> day of 8 <sup>th</sup> policy month  | Same as installment 2      | + \$15  |
| 8           | 1 <sup>st</sup> day of 9 <sup>th</sup> policy month  | Same as installment 2      | + \$15  |
| 9           | 1 <sup>st</sup> day of 10 <sup>th</sup> policy month | Same as installment 2      | + \$15  |
|             |  | 100%                       | \$135   |

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**Campmed Casualty & Indemnity Company, Inc. of Maryland**  
**Podiatry Professional Liability Rates and Rules Manual**  
**APPENDIX A - ILLINOIS EXCEPTION PAGES**

**1.) BASE RATES**

Section II. **INDIVIDUAL PODIATRIC PROFESSIONAL LIABILITY RATES**, Item A. **BASE RATES**, Paragraph 1. **Rates by Territory** is deleted and replaced with the following:

**1. Rates by Territory**

Base Rates for limits of \$1,000,000 each claim / \$3,000,000 annual aggregate, claims made form where defense costs do not erode policy limits are shown in the table below.

| <u>Territory</u>                 | <u>Surgical</u> | <u>Non-Surgical</u> |
|----------------------------------|-----------------|---------------------|
| I. Remainder of State            | \$10,771        | \$ 7,181            |
| II. Dupage, Will & Lake Counties | \$10,771        | \$ 7,181            |
| III. Cook County                 | \$16,972        | \$11,315            |

**2.) PART-TIME PODIATRIST DISCOUNT**

Section II. **INDIVIDUAL PODIATRIC PROFESSIONAL LIABILITY RATES**, Item F. **PART-TIME PODIATRIST DISCOUNT** is deleted and replaced with the following:

A discount may be applied to premiums for both surgical and non-surgical podiatrists not exceeding certain averaged combinations of hours of practice per week and number of patients seen per week. The criteria are described in the following table.

| <b>Podiatrists who, during the 12 month policy period, both:</b>   | <b>Credit</b> |
|--|---------------|
| 1. Work an average of 16 hours or less per week and<br>Have average patient count of no more than 30 patients per week | 60%           |
| 2. Work an average of 24 hours per week and<br>Have average patient count of no more than 50 patients per week         | 35%           |

The number of hours worked per week and the patient count per week statistics are subject to verification by the Company at time of underwriting and by audit.

**3.) EXPERIENCE RATING PLAN**

Section II. **INDIVIDUAL PODIATRIC PROFESSIONAL LIABILITY RATES**, Item H. **EXPERIENCE RATING PLAN** is deleted and replaced with the following:

**H. EXPERIENCE RATING PLAN**

In recognition of the significant variability in the risk exposures that exist among podiatrists and their practices that are indicated by prior claims experience, the Company may apply debits and credits to the other applicable rate based on assessment of the frequency and severity of Losses that have been previously experienced by the insured. The experience rating plan applies to Losses incurred during all prior years covered by the Company or, as indicated below, to insureds new to the Company. The experience rating plan applies to surgical and non-surgical podiatry classifications as well as new practitioners and part time podiatrists. Experience debits and credits are evaluated at new to the Company policy inception and annually at renewal.

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For the purpose of applying the experience rating plan, "**Losses**" are defined as the aggregate case based reserves and paid loss and loss adjustment expenses incurred by the insurer. "**Loss Ratio**" is defined as (1) total **Losses** divided by (2) total premiums over the **Calculation Period**. "**Claims**" are incidents that result in Losses.

The **Loss Ratio Calculation Period** will include both (1) the period immediately prior to coverage with the Company, if any, but not longer than 10 years, and (2) all years of coverage with the Company.

**Losses** will be equal to (1) the aggregate **Losses** as reported on the loss information prepared by any prior carrier, if any, and submitted by the insured with the initial application for insurance plus (2) the aggregate **Losses** for all years of coverage with the Company, for the **Calculation Period**.

Premiums will be equal to (1) the aggregate Premiums that would have been charged for the prior years as if the policies during those years had been written by the Company at the base rates on file as of the date the calculation is made, if any, plus (2) the aggregate premiums for all years of coverage with the Company, for the **Calculation Period**.

Maximum Experience Credit / Debit

-15% to +200%

#### A. Experience Debit

The Experience Debit is applied as follows.

| Loss Ratio   | Debit Factor                                 |
|--------------|--|
| 60% - 84%    | +5%  |
| 85% - 99%    | +10%   |
| 100% - 114%  | +15%   |
| 115% or more | <b>Loss Ratio - 100%</b><br>To maximum +200% |

The following examples demonstrate the application of the table above.

a. \$22,000 in total **Losses** divided by \$25,000 in total premiums = 88% **Loss Ratio**.

A 10% debit factor is applied.

b. \$53,000 in total **Losses** divided by \$25,000 in total premiums = 212% **Loss Ratio**.

212% - 100% = 112%. A 112% debit factor is applied.

In the examples above, the debit factor is multiplied by the base rate before the application of scheduled debits and credits to yield the additional premium debit to be added to the base rate.

#### B. Experience Credit

When an experience debit does not apply, the insured may qualify for an experience credit based on a claims free history. The Company applies a credit based on the number of years completed with no Claims according to the following table.

| Consecutive Years<br>Without Claims | Credit |
|-------------------------------------|--------|
| 0 to 2 years                        | None   |
| 3 to 4                              | - 5%   |
| 5 to 9                              | -10%   |
| 10 or more                          | -15%   |

**FILED**



#### **4.) SCHEDULED DEBITS & CREDITS**

Section II. **INDIVIDUAL PODIATRIC PROFESSIONAL LIABILITY RATES**, Item I. **SCHEDULED DEBITS & CREDITS** is deleted and replaced with the following:

##### **I. SCHEDULED DEBITS & CREDITS**

In recognition of the significant variability in the risk exposures that exist among podiatrists and their practices, the Company may apply debits and credits to the otherwise applicable rate dependent upon the underwriter's overall evaluation of the entire risk. Examples of criteria that may be evaluated are listed below.

Both debits and credits are subject to maximum allowed in the state and are reviewable annually.

Appropriate supporting documentation will be kept in the insured's file.

| <b><u>1. Schedule of debits and credit criteria</u></b> | <b><u>Range ( + / - )</u></b> |
|---|-------------------------------|
| Claims Management                                       | +10%/ -15%                    |
| Internal Review Procedures                              |                               |
| Commitment to Loss Prevention                           |                               |
| Incident/Claim Reporting Procedures                     |                               |
| Other   |                               |
| Risk Management   | +10%/ -10%                    |
| Credentialing/Peer Review                               |                               |
| Medical Record/Consent Form Documentation               |                               |
| Quality Assurance Procedures                            |                               |
| Employee Selection, Training and Supervision            |                               |
| Other   |                               |
| General Factors   | +16%/ -5%                     |
| Hospital Staff Privileges                               |                               |
| Managed Care Network Participation                      |                               |
| Unusually high or low patient volumes                   |                               |
| Other   |                               |
| <b>2. Maximum Allowed Debits and Credits</b>            | <b>+25%/ -25%</b>             |

#### **5.) SURCHARGES**

Section II. **INDIVIDUAL PODIATRIC PROFESSIONAL LIABILITY RATES**, Item J. **SURCHARGES** is deleted in its entirety.

#### **6.) RESIDENT DISCOUNT**

Item K. **RESIDENT DISCOUNT** is added to Section II. **INDIVIDUAL PODIATRIC PROFESSIONAL LIABILITY RATES** as follows:

##### **K. RESIDENT DISCOUNT**

A discount may be applied to premiums for residents participation in a podiatric residency training program approved by the Council on Podiatric Medical Education (C.P.M.E.). Coverage will be offered on an occurrence basis only. Premium will be computed according to the following formula:

Claim Made Base Rate X 1.20 Occurrence Factor X .25 Resident Discount Factor

## **7.) RESIDENCY DIRECTOR DISCOUNT**

Item **L. RESIDENCY DIRECTOR DISCOUNT** is added to Section **II. INDIVIDUAL PODIATRIC PROFESSIONAL LIABILITY RATES** as follows:

### **L. RESIDENCY DIRECTOR DISCOUNT**

A 25% discount may be applied to the premium of an individual podiatrist who has been appointed as a director for a podiatric residency program.

## **8.) PURCHASED EXTENDED REPORTING PERIOD COVERAGE**

Section **IV. EXTENDED REPORTING PERIOD COVERAGE**, Item **A. PURCHASED EXTENDED REPORTING PERIOD** is deleted and replaced with the following:

### **A. PURCHASED EXTENDED REPORTING PERIOD**

Extended Reporting Period Coverage applies to claims made policies for claims that are first made during the extended reporting period against the insured by reason of alleged medical malpractice that occurred after the retroactive date shown in the expiring policy Declarations Page but before the effective date of cancellation or non-renewal. An eligible insured may purchase an Extended Reporting Period provided the insured requests and pays for the coverage within 30 days after the effective date of cancellation or non-renewal of the policy.

The Company shall inform the Insured of the optional Extended Reporting Period Coverage (ERP) premium at the time the last policy is purchased. They will be offered the choice of a 1, 2, 3 year or unlimited duration ERP. The Company may not wait until the Insured requests to purchase the ERP to tell the Insured what the premium will be or how the premium would be calculated.

Available Limits of Liability shall not exceed those afforded under the expiring claims-made policy. The extended reporting premium is equal in amount to the Extended Reporting Duration Factor multiplied by the expiring annual premium of the policy adjusted as follow:

1. The Risk Management Activity Discount and the Scheduled and Experience Rating Plan Debits and Credits shall, if applicable, be applied when determining the final extended reporting period premium.
2. The Part-Time Podiatrist Discount, New Podiatrist Discount, and Leave of Absence Credit shall not, if applicable, be applied when determining the final extended reporting period premium.

| Years of Company<br>Claims Made<br>Coverage | Extended Reporting Period (ERP) Duration Factors |        |        |           |
|---|--|--------|--------|-----------|
|   | 1 Year   | 2 Year | 3 Year | Unlimited |
| 1   | 0.61   | 0.77   | 0.89   | 1.02      |
| 2   | 0.86   | 1.08   | 1.26   | 1.44      |
| 3   | 1.01   | 1.26   | 1.47   | 1.68      |
| 4   | 1.08   | 1.35   | 1.58   | 1.80      |

The Company will offer the Extended Reporting Period Coverage upon policy termination for any reason, including non-payment of premium and whether the policy was terminated at the request of the Company or the insured.

**FILED**

## **9.) PREMIUM WAIVED EXTENDED REPORTING PERIOD**

The first sentence of Section **IV. EXTENDED REPORTING PERIOD COVERAGE**, Item **B. PREMIUM WAIVED EXTENDED REPORTING PERIOD** is deleted and replace with the following:

Premium will be waived for an Extended Reporting Period ("tail") of unlimited duration under the following conditions:

## **10.) LEAVE OF ABSENCE**

Section **V. GENERAL RULES**, Item **C. LEAVE OF ABSENCE** is deleted and replaced with the following:

### **C. LEAVE OF ABSENCE**

An insured may interrupt his or her practice for such reasons as illness, childbirth, sabbatical leave, or to undertake additional training. The Company may provide a Leave of Absence of not less than thirty days or longer than one year in such situations and when at its discretion the Company determines the leave to be appropriate. This option is allowed only once every four years except for reasons of disability or pregnancy. Policy maturation continues during the leave period. Claims which arise from incidents that take place subsequent to the retroactive date may be reported during the period of leave. Claims or suits based on incidents occurring within the period of leave will not be covered. The premium for the Leave of Absence period is calculated as follows:

| <u>Leave of Absence taken during:</u> | <u>Factor</u>                  |
|---------------------------------------|--------------------------------|
| 1st year claims made policy           | .41 of annual premium pro rata |
| 2nd year claims made policy           | .58 of annual premium pro rata |
| 3rd year claims made policy           | .67 of annual premium pro rata |
| 4th year of more claims made policy   | .72 of annual premium pro rata |

The difference of the annual premium pro rata for the length of the leave of absence period and the Leave of Absence period premium is the reduced premium amount.

## **11.) PAYMENT PLAN**

Section **V. GENERAL RULES**, Item **G. PAYMENT PLAN** is deleted and replaced with the following:

### **G. PAYMENT PLAN**

Premium for all policies may be paid in full at policy inception or the insured may opt to use a four installment plan.

Fee per installment will be equal to the lesser of 1% of the total premium or \$25.

Any additional premium resulting to changes to the policy will be spread equally over the remaining installments, if any. If no installments remain, entire amount of additional premium will be billed.

#### **Four Installment Plan**

| <u>Installment</u> | <u>Due Date</u>                                     | <u>Premium Due</u>   |
|--------------------|---|----------------------|
| 1                  | At inception  | 25% of total premium |
| 2                  | 1 <sup>st</sup> day of 3 <sup>rd</sup> policy month | 25% of total premium |
| 3                  | 1 <sup>st</sup> day of 6 <sup>th</sup> policy month | 25% of total premium |
| 4                  | 1 <sup>st</sup> day of 9 <sup>th</sup> policy month | 25% of total premium |
|                    |   | 100%                 |

**FILED**

## **12.) OPTIONAL ENDORSEMENTS**

The following optional endorsements are added as Section **VI. OPTIONAL COVERAGE ENDORSEMENTS.**

### **1. ADMINISTRATIVE DEFENSE COVERAGE**

CMC 0043, Supplementary Payments-Administrative Defense Coverage Endorsement, may be added to the policy for an additional premium shown below. This endorsement provides defense costs for defense against administrative actions related to medical licensing board actions; hospital medical staff peer review actions; managed care decertification actions; actions related to billing and/or coding errors and omissions under programs sponsored by Medicaid, Medicare, and other payers, and any actions related to any violation of HIPAA requirements.

| <u>Limit</u> | <u>Charge</u> |
|--------------|---------------|
| \$25,000     | \$250.00      |

### **2. MEDICAL WASTE LEGAL EXPENSE REIMBURSEMENT**

CMC 0082, Supplementary Payments- Medical Waste Legal Expense Reimbursement, may be added to the policy at no additional charge. The limit of liability afforded for this coverage is \$50,000 per incident/\$50,000 Annual Aggregate.

### **3. NOTICE OF INCIDENT**

CMC 0090, Notice of Incident, may be added to the policy at the request of the insured. The endorsement amends when a claim is considered first made to the date the company receives written notice from the insured of a potential claim. Refer to Company for rating.

### **4. CORPORATE EMPLOYEE COVERAGE**

CMC 0091 or CMC 0092, Corporate Employee Coverage (Claims Made / Occurrence basis respectively), may be added to the policy at no additional charge. The endorsement provides coverage under Business Entity Coverage B to certain licensed health care providers who do not have or are not required to have an individual professional liability insurance policy. A list of health care providers to whom this coverage is not extended is contained in the endorsement.

### **5. SEXUAL MISCONDUCT DEFENSE COVERAGE**

CMC 0098, Supplementary Payments-Sexual Misconduct Defense Coverage, may be added to the policy. This endorsement provides reimbursement for defense costs incurred by the insured for investigation or defense of a suit arising out of sexual misconduct allegations. A limit of insurance of \$25,000 per incident/\$25,000 Aggregate is available at no additional charge. A higher limit of insurance of \$100,000 per incident/\$300,000 Aggregate is available for the addition premium of \$250.

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